Short Hours, Short Shrift

Causes and Consequences of Part-time Work

Chris Tilly

Economic Policy Institute

1730 Rhode Island Ave., NW, Suite 200, Washington, DC 20036
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Chris Tilly is Assistant Professor of Economics at the University of Lowell in Lowell, Massachusetts. His recent research has explored part-time work, income inequality, and poverty.

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Executive Summary

Part-time employment makes up a growing share of jobs in the United States. In 1988, nearly 19 million Americans or one-fifth of the U.S. labor force were employed part-time. Part-time employment is not inherently a negative feature of the labor market; it can accommodate worker's and employer's desires for flexibility. But the recent growth of part-time employment is a danger signal for the U.S. economy. Most part-time jobs are low-wage, low-skill, and dead-end jobs—part of the flood of such jobs that has swept the United States since the early 1970s. Part-time jobs have expanded since 1970 not because more workers want them, but because more employers realize the short-term cost-cutting advantages in utilizing part-time work.

Part-time employment makes up a growing share of jobs in the United States.

The main features of this growth are revealing:

- *Involuntary* part-time workers—part-time workers who would prefer full-time hours—account for almost all of the growth in the part-time share of total U.S. employment since 1970.
- Nearly three-fourths of the increase in the rate of part-time employment is explained by the growth of the trade and services industries, where most part-time jobs offer poor pay and benefits.
- The growth of part-time employment between 1969 and 1988 is mainly due to increases in part-time work among youths, prime-aged men, and elders. Women in their primary child-rearing years have actually *decreased* their rate of part-time employment.
- Multiple jobholders, most of whom work part-time in their second jobs, have increased from 4.9 percent of the total workforce in 1979 to 6.2 percent in 1989, yet official part-time employment figures fail to include these workers in their tallies of part-time workers.

Involuntary part-time workers—part-time workers who would prefer full-time hours—account for almost all of the growth in the part-time share of total U.S. employment since 1970.

For U.S. working families and for the U.S. economy as a whole, expanding part-time employment breeds economic insecurity.

- The average part-timer earns only 60 percent of the hourly wage of the average full-timer. Twenty-two percent of part-time workers are covered by employer sponsored health insurance compared with 78 percent of full-time workers.
- One in six part-time workers has a family income below the poverty level, compared to one in 37 year-round, full-time workers.
- The presence of low-paid part-time workers also depresses the wages and benefits of full-timers in related jobs. Full-time workers employed in a sector where one-third of the workers are part-time earn $1.21 less per hour, on average, than identical full-time workers employed in an industry where there are no part-time workers.
- The 5 million people involuntarily working part-time in 1988 represent the equivalent of an additional 2.5 million people unemployed.
- Women, teens, and black workers are hardest hit by involuntary part-time employment. A woman is 1.2 times as likely to work part-time involuntarily as the average worker; blacks and teens are about twice as likely to be employed part-time involuntarily.

- Despite the fact that there are over 5 million involuntary part-time workers, there are an estimated 3 million full-time workers who would prefer to work part-time, but are blocked by employers' unwillingness to grant them schedule flexibility.
- Forty-two percent of the growth of income inequality due to annual wage changes between 1978 and 1984 can be accounted for by growing part-time employment and widening earnings gap between part-time and full-time workers.

Part-time employment can provide a valuable dimension of flexibility for employers and workers. However, in order to maintain this flexibility while minimizing its associated risks, the public and private sectors must move to acknowledge and protect the rights of less than full-time workers.

Even for employers, part-time work is at best a mixed blessing. At the same time that employers have used part-time employment to cut their most visible costs—wages and benefits—they have undermined productivity by moving toward a workforce characterized by high turnover, low skill, and minimal job commitment. For example, as retail businesses rapidly added part-timers between 1967 and 1985, retail productivity fell by an average of 0.1 percent annually.

Part-time employment can provide a valuable dimension of flexibility for employers and workers. However, in order to maintain this flexibility while minimizing its associated risks, the public and private sectors must move to acknowledge and protect the rights of less than full-time workers.

Public policymakers have made few efforts to address the problems posed by part-time work. An adequate policy response should address three areas: equal treatment for part-time workers, security and flexibility for part-timers, and the creation of better jobs. Key aspects of reform would include legislation to ensure parity in benefits and pay for part-time workers, universal access to health insurance, and labor law reform to aid workers in their efforts to bargain for better jobs.

Introduction

Part-time employment makes up a growing share of jobs in the United States. In 1988, nearly 19 million Americans or one-fifth of the U.S. labor force were employed part-time. At first glance, this trend might appear to be a benign one: aren't employers simply accommodating the wishes of housewives, students, retirees, and others who prefer short-hour schedules? But in fact, the growth of part-time employment is a danger signal for the U.S. economy. Most part-time jobs are low-wage and low-skill—part of the flood of such jobs that has swept the United States since the early 1970s. Part-time employment has expanded since 1970 not because more workers want these jobs, but because more employers realize the short-term cost-cutting advantages in utilizing part-time work. In fact, *involuntary* part-time workers—part-time workers who would prefer full-time hours—account for almost all of the growth in the part-time share of total U.S. employment since 1970. Ironically, at the same time, a small but significant fraction of full-time workers would *prefer* to work part-time, but are prevented from doing so by employers' unwillingness to grant them schedule flexibility.

In 1988, nearly 19 million Americans or one-fifth of the U.S. labor force were employed part-time.

Expanding part-time employment is a growing economic problem among working families in America. More family members are working, but the part-time jobs many hold bring lower wages and few or no benefits. Involuntary part-time work persists as a form of hidden unemployment, even when the official unemployment rate falls. And growing part-time employment feeds greater income inequality between low-wage and high-wage workers and their families.

Even for the employers who have promoted it, part-time work is at best a mixed blessing. Service industry employers have used part-time employment to cut their most visible costs: wages and benefits. But, at the same time, they have undermined productivity by moving toward a workforce that is characterized by high turnover, low skill, and minimal job commitment. To some extent, wages and productivity have followed each other in a downward spiral. To shore up American productivity and provide relief for U.S. families, new policies toward part-time work are needed.

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The Part-Time Boom

Part-time work employs almost one-fifth of the U.S. workforce. About 19 million people in the nonagricultural workforce worked part-time[1] in 1988, making up 18.4 percent of persons at work. A full 92 percent of these part-timers reported that they *usually* worked part-time. Over a quarter of the part-time workers—5 million people—were involuntary part-time workers who would have preferred a full-time job. These figures represent averages over 12 months; about twice as many people worked part-time at some time during the year.

Since the late 1950s, the number of part-timers as a percentage of the total U.S. labor force has increased from 13 percent in 1957 to over 18 percent in 1988.

Since the late 1950s, the number of part-timers as a percentage of the total U.S. labor force has increased from 13 percent in 1957 to over 18 percent in 1988. In the short term, the rate of part-time employment has climbed during economic recessions and dipped during expansions (see Figure 1). But over the long run, increases have exceeded declines, so that on average, the fraction of the workforce employed part-time has grown an estimated .17 percentage points per year since the 1950s, rising more rapidly during the 1970s and continuing its growth in the 1980s.

The expansion of part-time employment would appear even more startling if U.S. statistics counted the number of part-time *jobs* rather than the number of *persons* whose total hours worked fall below the full-time threshold.[2] Multiple jobholders—86 percent of whom work 24 hours or less on their second jobs—climbed from 4.9 percent of the workforce in 1979 to a record high of 6.2 percent in 1989, marking an increase in part-time jobs without a corresponding increase in official part-time employment figures (Stinson, 1986; U.S. Department of Labor, 1989).

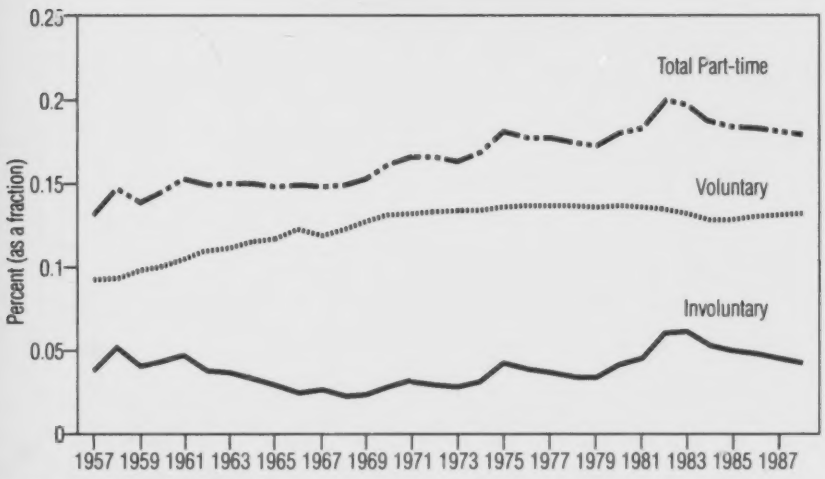
The expansion of part-time employment would appear even more startling if U.S. statistics counted the number of part-time jobs rather than the number of persons whose total hours worked fall below the full-time threshold.

Until 1970, the growth in part-time work was driven by expanding voluntary part-time employment, as women and young people desiring part-time hours streamed into the workforce. But since that time, the rate of voluntary part-time employment has stagnated, and the expanding rate of *involuntary* part-time work has propelled more recent growth, accounting for 72 percent of the growth of part-time work between 1969 and 1988. In today's economy, companies are creating part-time jobs even though workers do not want them.

FIGURE 1

Part-time as Percent of Those at Work

(Involuntary, Voluntary, Total, 1957–88)



Note: Nonagricultural workers only.

Source: U.S. Bureau of Labor Statistics, *Employment and Earnings*, various dates.

Part-time workers are disproportionately women, teenagers, and persons of retirement age.

Who Works Part-Time and Where?

Part-time workers are disproportionately women, teenagers, and persons of retirement age (Table 1). Twenty-seven percent of women work part-time, compared to 18 percent of all workers, making women 1.5 times as likely to be employed part-time as the average workforce member. The teen part-time employment rate is 3.5 times the labor force average while persons aged 65 and over work part-time at 2.8 times the average rate. These probabilities are shaped primarily by the incidence of voluntary part-time employment. Not surprisingly, these three groups in the workforce are those who are most willing to accept lower wages and benefits in order to obtain a satisfactory work schedule.

TABLE 1

Rate of Part-Time Employment for Various Nonagricultural Workforce Groups, 1988

Workforce group	Percent of Persons in Group at Work Part-Time: Involuntary	Voluntary	Total Part-Time
Men	3.9%	7.5%	11.4%
Currently married men	2.6	3.6	6.1
Single (never-married or no longer married) men	6.3	14.3	20.7
Women	5.6	21.2	26.8
Currently married women	4.8	22.6	27.4
Single (never-married or no longer married) women	6.5	19.4	26.0
Age			
Age 16–19	10.5	53.7	64.3
Age 20–64	4.3	10.1	14.3
Age 65 and up	4.5	47.2	51.7
Black	7.2	9.8	17.0
Black men	6.5	6.7	13.2
Black women	7.9	12.8	20.7
White	4.4	14.2	18.5
White men	3.7	7.5	11.1
White women	5.3	22.5	27.7
All	4.7	13.7	18.4

Note: To interpret Table 1, compare the rate of part-time employment in a given group with the rate in the workforce as a whole (bottom row).

Source: U.S. Bureau of Labor Statistics, *Employment and Earnings*, January 1989.

While women are more likely to choose part-time work, they are also more likely to be stuck in part-time jobs against their will. The female rate of involuntary part-time work is 44 percent greater than that for men.

The rates of involuntary part-time employment tell a somewhat different story. Women, teens, and black workers—all of whom already face discrimination in wages and employment—are the groups hardest hit by involuntary part-time employment. While women are more likely to *choose* part-time work, they are also more likely to be *stuck* in part-time jobs against their will. The female rate of involuntary part-time work is 44 percent greater than that for men.

Black workers, while only two-thirds as likely to hold voluntary part-time jobs as whites, are 1.7 times as likely to work part-time involuntarily. Teens are more than twice as likely to work part-time involuntarily as the average, reflecting their weak standing in the labor market, but workers 65 and over have a rate of involuntary part-time employment below the average.

Part-time rates range from 17.5 percent in the South to 20.9 percent in the Midwest. Regional differences, though small, nevertheless reflect the composite effects of disparities in voluntary and involuntary part-

time employment. The Northeast, with its relatively tight labor market, has a low rate of involuntary part-time employment—three percent, compared to over five percent in all other regions. The South and West have low rates of voluntary part-time employment, due both to below-average female labor force participation rates and to low rates of part-time employment among women.

Varieties of Part-Time Work

The categories of voluntary and involuntary part-time work are inadequate to explain why, where, and how part-time employment is used. Instead, part-time work can be broken down into three broad categories: *short-time jobs*, *secondary* part-time jobs, and *retention* part-time jobs. In the goods-producing industries such as manufacturing, construction and mining, where male workers predominate, *short-time* is a common form of part-time employment. Instead of laying workers off during a downturn, an employer temporarily reduces workers' hours. When sales revive, the employer typically restores full-time hours. Short-time employment enables employers to keep their workers during slow periods and offers employees an alternative to layoffs. However, short-time is rarely preferred to full-time employment. Over half of part-time employment in the goods producing industries, including short-time, is involuntary, compared to about one-quarter in the economy as a whole.

Short-time employment, while important in particular industries, comprises less than one-tenth of part-time employment overall. Nearly nine in ten part-time jobs fall in the service industries, and in these sectors *secondary* and *retention* part-time employment are most important.

Secondary part-time jobs are marked by low skill, low pay and few fringe benefits, low productivity, and high turnover. Managers who adopt these work schedules cite low compensation and scheduling flexibility as their key advantages. Secondary part-time employment thus represents one form of what labor economists call a *secondary* labor market—a set of jobs characterized by high turnover and little opportunity for advancement.

Secondary part-time jobs are marked by low skill, low pay and few fringe benefits, low productivity, and high turnover.

Retention part-time jobs, on the other hand, are work schedules created to retain (or, in some cases, attract) valued employees whose life circumstances prevent them from working full-time; for example, women with young children. Retention part-time work arrangements tend to be offered only to workers in relatively skilled jobs. Unlike secondary part-time employment, retention part-time work is characterized by high compensation, high productivity, and low turnover—all features of what labor economists call a *primary* labor market. In these jobs, managers accommodate worker preferences as compared to secondary part-time employment where workers seldom have a choice.[5]

Retention part-time jobs, on the other hand, are work schedules created to retain (or, in some cases, attract) valued employees whose life circumstances prevent them from working full-time.

Evidence suggests that secondary part-time employment is the more common type of part-time work. Almost two-thirds of all part-timers

work in the predominantly low-skill clerical, sales, and service occupations. The data on lower earning and short job tenure associated with part-time work suggest that most of these jobs fit the secondary profile. This is not surprising, since employers dedicate entire job categories to secondary part-time employment, whereas they usually negotiate retention part-time work arrangements individually.

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The Part-Time Problem

The expansion of part-time employment has serious consequences for U.S. workers. Part-time workers earn lower hourly wages and fringe benefits than do full-timers, and have fewer opportunities for career advancement. To the extent employers use part-time workers as substitutes for full-time employees, the growth of part-time employment also undermines full-time compensation. Many workers are stuck in involuntary part-time jobs for long periods of time. The families of part-time workers, particularly those of involuntary part-timers, end up with low incomes, contributing to the recent growth of income inequality in America. A final, often-overlooked issue is that many full-time workers who would prefer part-time work are denied it.

Earnings and Family Income

On average, part-time workers earn much less per hour than do full-timers. In 1987, part-timers had a median hourly wage of $4.42, about 60 percent of the full-time median of $7.43, creating a wage differential of 40 percent. The differential was wider for men than for women, 51 percent and 28 percent, respectively. Part-time workers are disproportionately crowded at the very bottom of the wage distribution. Twenty-eight percent of part-time workers earned the minimum wage or less in 1984, compared to five percent of full-time workers. Part-timers comprise 65 percent of all people working at or below the minimum wage (Mellor and Haugen, 1986). The discrepancy in weekly wages is, of course, much greater. In 1987, part-timers earned $101 a week at the median, against full-timers' $373.

On average, part-time workers earn much less per hour than do full-timers.

The wage gap between part-time and full-time workers can be partially explained by other differences. Part-time workers are more concentrated in service employment than are full-time workers, and are more likely to be women, teenagers, and people of retirement age. However, statistical studies controlling for these differences find that a part-time worker, identical to a full-time worker in industry, occupation, sex, age, and other characteristics still earns an average of 10-15 percent less per hour (Owen, 1978 and 1979; Steuernagel and Hilber, 1984; Ehrenberg, Rosenberg, and Li, 1986). This figure probably *under*estimates the effect of part-time status on wages: for example, one could explain the lower average wages of part-time workers in part by the fact that so many of them are concentrated in a low-wage industry such as retail trade—but one could as easily explain the low wages in the retail trade sector by the fact that so much of the industry is staffed by part-timers!

A part-time worker, identical to a full-time worker in industry, occupation, sex, age, and other characteristics still earns an average of 10-15 percent less per hour.

The spread of part-time employment, which carries with it lower wages, has contributed significantly to growing wage polarization in the United States. Tilly, Bluestone, and Harrison (1986) discovered that 42 percent of the growth of inequality in annual wages and salaries between 1978 and 1984 could be accounted for by the growth of part-time

employment and the widening gap between the earnings of part-time and full-time workers.[4]

The families of part-time workers, and particularly those with involuntary part-timers, are families at economic risk. In the early 1980s (the most recent date for which median income studies are available), part-time workers had a median total family income approximately $5,000 less than the median family income of full-time workers.[5] Involuntary part-timers, in turn, had a median family income totaling $5,000 below that of voluntary part-time workers (Terry, 1981). More current data reveal that about one in six part-time workers—and one in five involuntary part-time workers—has a family income below the poverty level, compared to one in 37, year-round, full-time workers (Levitan and Conway, 1988).

One in six part-time workers—and one in five involuntary part-time workers—has a family income below the poverty level, compared to one in 37 year-round, full-time workers.

Part-timers are often supplying a vital income source to their families, yet the low wages they receive sharply limit the assistance they can provide. Most part-time employees (54 percent) are wives and "others" (children and other relatives) in married-couple families. In half a million two-earner families, a spouse's part-time job is the slim margin keeping the family out of poverty (Levitan and Conway, 1988). In addition, one-quarter of part-time workers are household heads. Another nine percent of part-timers are "other" members of single-parent families.

Benefits

Fringe benefits are not characteristic of part-time employment. Approximately 22 percent of part-time workers receive health insurance as a benefit, compared to 78 percent of full-time workers (Rebitzer and Taylor, 1988). While some part-time workers gain health coverage through their spouses, the Employee Benefits Research Institute estimates that 42 percent of part-timers have no direct or indirect employer-provided health coverage (Chollett, 1984).

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Similarly, only 26 percent of part-timers have employer-supplied pension coverage, whereas nearly 60 percent of full-timers enjoy such coverage (Rebitzer and Taylor, 1988). Part-time workers are also about 20 percent less likely than those on full-time schedules to receive any sick leave or paid vacation (Ichniowski and Preston, 1985).

A 1985 survey of 484 medium-to-large employers by Hewitt Associates, a Chicago consulting firm, suggests that benefit coverage drops off sharply as the number of hours worked decreases. For example, 99 percent of the employers surveyed offer health insurance to full-timers, and 73 percent offer this benefit to part-timers working 30 hours or more, but only 13 percent provide health coverage for people working fewer than 20 hours a week. This general pattern is echoed for dental, life insurance, accidental death and dismemberment, paid sick leave, long-term disability, paid holidays, and paid vacation (Worsnop, 1987).

Once more, the question arises: is the fringe benefit differential between part-time and full-time workers due to characteristics of the

job, the worker, or the work schedule? Statistical studies do suggest that, all things being equal, a part-time worker is less likely to receive fringe benefits, and a part-time job is less likely to offer them. For example, one study shows that, after controlling for worker and job characteristics, a part-time worker's probability of receiving health insurance is 28 percentage points below that of a full-time worker. Additionally, his or her probability of getting sick leave, paid vacation, or inclusion in a pension plan is lower by 33 percent, 21 percent, and 26 percent, respectively.[6]

Job Tenure and Advancement

Part-time workers keep their jobs for much shorter periods than do full-timers. Currently, the average job tenure of part-time workers is 3.4 years, well below the average of 5.7 years for full-time working women and 8.1 years for full-time working men (Rebitzer and Taylor, 1988). On this basis, part-time workers may resemble contingent workers—workers who are employed on an "as-needed" basis. There is certainly significant overlap between part-time schedules and other contingent work forms—for example, 40 percent of workers in the temporary help supply industry work part-time (Plewes, 1988). In some industries, such as retail trade, employers adjust part-timers' hours upward and downward to meet demand. However, the fact that, on average, part-time workers stay with an employer for over three years signals that most of them are not, strictly speaking, temporary employees.

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Part-time workers are also more likely to be dead-ended in their jobs than are full-time employees. A group of managers surveyed in the late 1970s considered part-time workers "less promotable" than full-time workers (Nollen, Eddy, and Martin, 1978). According to Nine to Five, the National Association of Working Women, company policies often discourage promotion of part-time workers. For example, Control Data Corporation, the University of Cincinnati, Los Angeles Community College, and Cigna Corporation treat their part-time employees' applications for full-time work no differently than applications from outsiders. "Peak-time" work in banks (part-time work matched to busy banking hours) has been designed to exclude job advancement. Says Stuart Martin, the originator of peak-time work:

> Peak-time is not meant to provide job security rights or career mobility. The point is to get workers who want to remain in part-time jobs (Nine to Five, National Association of Working Women, 1986).

The stunted career paths of many part-time jobs is of particular concern given the disproportionate number of women and minorities working in these schedules.

The stunted career paths of many part-time jobs is of particular concern given the disproportionate number of women and minorities working in these schedules. The growth of part-time employment may significantly inhibit affirmative action objectives.

Part-Time Employment Depresses Full-Time Wages and Benefits

Part-time workers can, with varying degrees of difficulty, be used in place of full-time workers. Because this substitution is possible, we would expect the presence of low-paid part-time workers to depress the wages and benefits of full-time workers in related jobs. In fact, this is true: the higher the fraction of part-time workers in an industry, the lower the wages and benefits paid to full-time workers. Full-time workers employed in a sector where one-third of the workers are part-time earn $1.21 less per hour, on average, than identical full-time workers employed in an industry where there are no part-time workers. Similarly, the probability of receiving health insurance benefits is ten percentage points lower for full-time workers employed in an industry where part-time workers make up one-third of the workforce, while the probability of coverage by a pension plan decreases by 17 percentage points (Rebitzer, 1987).[7]

The higher the fraction of part-time workers in an industry, the lower the wages and benefits paid to full-time workers.

The Burden of Involuntary Part-Time Work

As noted above, throughout 1988, an average of 5 million Americans worked part-time involuntarily. During the 1982-1983 recession, the number of people working part-time against their will climbed to 6 million. If involuntary part-time jobs were transitory, or if average work hours were just a few hours less than full-time hours, there would be less cause for concern. But neither is true. Involuntary part-time employment is, in many cases, a prolonged predicament. In 1985, 38 percent of involuntary part-time workers experienced the problem for 15 weeks or more—including 19 percent who were involuntarily working part-time for over 26 weeks. In 1987, the average number of hours worked by involuntary part-time workers were 22.1 hours per week, even lower than the average 22.5 hours worked by voluntary part-timers.

Involuntary part-time employment is, in many cases, a prolonged predicament.

Involuntary Full-Time Workers

Despite the fact that there are over 5 million part-time workers who would prefer a full-time job, there are also a substantial number of "involuntary *full-time* workers"—people working full-time who would prefer to work part-time. The government collects little data on this group; however, it is estimated that nearly 3 million persons, seven percent of the full-time workers in nonagricultural industries, belong to this category (Shank, 1986). Another 1.5 million are unemployed workers seeking part-time jobs. The inability to find adequate part-time employment forces these individuals to make unpleasant choices between giving up needed income or sacrificing family or school responsibilities.

Forces Behind the Growth of Part-Time Work: Some Myths

Why has the fraction of the population working part-time continued to grow, even though the fraction of the population who *want* to work part-time has not? And why are there simultaneously large numbers of part-time workers who would prefer full-time jobs and an almost equal number of full-time workers who would prefer part-time schedules? Answering these questions requires a closer look at national trends, industry patterns, and at the motivations of individual employers for using part-time employment. A number of possible causes for the continued growth of part-time employment can be eliminated: the increase is *not* explained by demographic shifts in the workforce, by long-term growth in unemployment, or by a widening part-time/full-time wage differential.

Demographic Shifts

The demographic explanation for the expansion of part-time employment sounds reasonable enough. Part-time workers in the United States are primarily female, young, or old. Almost two-thirds of part-time workers are women, and another 13 percent are men aged 16–19 or 65 and over. Women with home responsibilities, students, and people of retirement age would, in many cases, be expected to prefer part-time schedules. Consequently, one might try to explain the growth of short-hour work by the continued influx of these groups—especially women—into the workforce.

The increase in the part-time share of total employment is a function of involuntary, not voluntary, part-time employment growth.

But the evidence flatly contradicts this explanation. First, in recent years, the increase in the part-time share of total employment is a function of involuntary, not voluntary, part-time employment growth. Second, despite the small fraction of part-time jobs held by men aged 20–64 years old, that share has *grown* from 15.8 percent in 1969 to 20.6 percent in 1988, further challenging the notion that the labor supply is stimulating part-time growth. Finally, statistical analysis suggests that changes in the demographics of the workforce account for only one-sixth of the recent growth of part-time employment. If the *rates* of part-time work within each age–gender group in the labor force had remained constant at 1969 levels while the age-gender *composition* of the workforce changed, the rate of part-time employment in 1988 would have risen by less than one-half of a percentage point, from 15.5 percent to 15.9 percent, instead of actually climbing three percentage points to 18.4 percent (Table 2). The growth of part-time employment since 1970 is mainly due to increases in the rate of part-time work among youths, prime-age men, and elders. Interestingly, women's rate of part-time employment has remained essentially unchanged over this period. In fact, women in their primary child-bearing years (22–44) have slightly *decreased* their rate of part-time employment. Many have shifted to full-time work.

Changes in the demographics of the workforce account for only one-sixth of the recent growth of part-time employment.

TABLE 2

Age and Gender Composition of the Labor Force and Rate of Part-Time Employment, 1969 and 1988

	1969		1988	
	Share of Total Employment*	Percent Part-Time	Share of Total Employment*	Percent Part-Time
All 16–21	12.8%	40.6%	10.6%	46.2%
Women 22–44	17.3	22.7	27.7	22.1
Women 45–64	13.2	22.5	11.3	24.1
Men 22–64	53.2	3.7	47.9	6.9
All 65+	3.5	41.0	2.5	51.7
Total	100.0	15.5	100.0	18.4

* Includes only nonagricultural workers at work. For 1988, workers aged 20–21 are not shown separately, so it was assumed that age and part-time status are uniformly distributed among 20–24 year olds.

Source: Computed from *Employment and Earnings*, January 1970 and January 1989.

Involuntary part-time employment rates climb in times of high unemployment. . . .However. . . as much as 90 percent of the increase in the part-time share of total U.S. employment remains even after controlling for changes in the unemployment rate.

Unemployment

Involuntary part-time employment rates climb in times of high unemployment (see Figure 1). An alternative explanation, then, for the increase in part-time employment is the long-term growth in unemployment rates. However, the statistical evidence undermines this argument. A recent study by Ichniowski and Preston reports that as much as 90 percent of the increase in the part-time share of total U.S. employment remains even after controlling for changes in the unemployment rate (Ichniowski and Preston, 1985; see also, Ehrenberg, Rosenberg, and Li, 1986). In fact, this analysis suggests that, because of the underlying growth in involuntary part-time employment, unemployment would have to have been one-tenth of one percent in 1988—rather than the actual 5.5 percent—to bring the rate of involuntary part-time employment down to its 1969 level.

Part-Time/Full-Time Wage Differential

A third argument advanced to explain part-time employment growth is that full-time workers simply "became too expensive," causing employers to substitute part-timers wherever possible. The wage gap between part-time and full-time workers is indeed a substantial one. But the gap has not grown significantly over the last 15 years. Part-timers earned hourly wages 61 percent as high as full-timers in 1973 compared to 60 percent in 1987. The part-time/full-time wage differential widened much more among women than men; however, as previously discussed, the rate of part-time employment has not risen among women, only among men. Additional statistical analysis confirms that changes in the wage gap do not account for the recent growth of part-time employment (Tilly, 1989).

The Broader Trend Toward Low-Wage Job Growth

If demographic movements, changes in unemployment, and a widening part-time/full-time wage gap do not provide explanations for the continuing growth of part-time jobs, what does? The answer is twofold. First, the industry composition of employment has shifted away from manufacturing and toward industries such as trade and services that employ large numbers of part-timers. The reason that these industries employ so many part-time workers is that they are predominantly made up of firms that have adopted a low-wage, low-skill, high-turnover employment policy, built in many cases around secondary part-time employment. The second major change is that larger numbers of jobs *within* every industry—including services and trade—have been absorbed into this type of labor market. These structural changes have increased the ranks of part-time workers beyond workers' desires, resulting in the growth of involuntary part-time employment.

Most of the recent growth of part-time work can be traced to sectoral shifts in the economy towards industries dominated by low-wage part-time employment.

Most of the recent growth of part-time work can be traced to sectoral shifts in the economy towards industries dominated by low-wage part-time employment. Between 1969 and 1988, the shift of jobs towards industries which intensively use part-time workers can account for 1.7 percentage points of the 2.3 percentage point rise in the share of workers employed part-time.[8] In fact, the employment growth in trade and services alone accounts for this 1.7 percentage point increase in the part-time rate. During this period, part-time workers in trade and services rose from 11.1 percent to 14.1 percent of all nonagricultural wage and salary workers. These are the industries where secondary labor markets are particularly prevalent—and where secondary part-time employment is most common. The occupational makeup of part-time job growth confirms this connection. Between 1969 and 1988, part-time employment grew fastest in less-skilled white collar occupations; part-time clerical, sales, and service workers grew in number from 9.5 percent to 11.6 percent of all non-farm workers.

TABLE 3

Industry Composition of the Labor Force and Rate of Part-Time Employment, 1969 and 1988

	1969		1988	
	Share of Total Employment*	Percent Part-Time	Share of Total Employment*	Percent Part-Time
Construction	6.4%	8.6%	6.0%	11.2%
Durable manufacturing	16.7	3.2	12.1	4.0
Nondurable manufacturing	11.4	7.8	8.3	8.3
Transport, com., util.	7.2	7.8	7.4	8.7
Trade	20.6	26.3	21.3	30.4
Finance	5.8	10.5	7.1	11.3
Service	24.9	26.2	31.7	24.0
Public admin.	6.2	6.2	5.3	6.8
Mining	0.8	5.0	0.7	4.5
All industries	100.0	15.5	100.0	17.9

* Includes only nonagricultural wage and salary workers at work.

Source: Computed from *Employment and Earnings*, January 1970 and January 1989. Percent part-time in mining in 1969, which was not published separately, was computed from available information.

Between 1969 and 1988, the rate of part-time employment in every major industry, except for services and mining, rose despite the fact that in many cases, the rate of voluntary part-time employment had declined.

What accounts for the rapid employment growth in the trade and service industries? The reasons are several. These industries have grown in *relative* terms because the changing international division of labor has increasingly shifted manufacturing to other countries. The *absolute* level of demand for the output of the services and trade industries has expanded in a number of areas. Final demand for consumer services has grown via the commoditization of goods formerly produced at home (e.g., breakfast at McDonald's), in part because women entering the workforce are less able to directly provide many of these services to their families. Intermediate demand for producer services has boomed because of the growing importance of specialized business services (e.g., legal advice, advertising, accounting) to commercial success. At the same time, productivity growth in services and trade has been very slow (when positive), so that increases in output have translated directly into increases in employment. And finally, the use of low-cost secondary labor markets has facilitated the growth in consumer demand, enabling employers in these industries to keep prices relatively low despite lags in productivity growth (Waldstein, 1989).

The growth of part-time employment *within* industries, while smaller (in absolute terms) than the sectoral shifts just described, is potentially more provocative, since it reflects not just changes in the composition of output, but changes in firms' behavior and employment strategy. Between 1969 and 1988, the rate of part-time employment in *every* major industry, except for services and mining, rose despite the fact that in many cases, the rate of voluntary part-time employment had *declined* (Table 4).

TABLE 4

Rate of Involuntary, Voluntary, and Total Part-Time Work by Industry

	Percent of Persons Working Part-Time					
	1969			1988		
	Involuntary	Voluntary	Total	Involuntary	Voluntary	Total
Construction	4.4%	4.2%	8.6%	6.8%	4.4%	11.2%
Durable manufacturing	1.4	1.8	3.2	1.6	2.4	4.0
Nondurable manufacturing	3.4	4.4	7.8	3.7	4.6	8.3
Transport, com., util.	1.8	6.0	7.8	3.1	5.6	8.7
Trade	2.9	23.4	26.3	7.0	23.4	30.4
Finance	1.0	9.5	10.5	1.9	9.3	11.3
Service	3.1	23.1	26.2	5.0	19.0	24.0
Public admin.	0.8	5.4	6.2	1.2	5.6	6.8
Mining*	1.6	3.4	5.0	2.2	2.3	4.5
All industries	2.5	13.0	15.5	4.0	13.3	17.8

* "1969" figure for mining is from 1976, because earlier figures are not available in published form.

Note: Includes only nonagricultural wage and salary workers at work.

Source: Computed from *Employment and Earnings*, January 1970 and January 1989.

Companies have revamped employment strategies because, in their view, cutting labor costs and enhancing staffing flexibility are more important—at least in some areas of work—than maintaining the productivity and reliability of the labor force.

Firms turn to part-time employment for a variety of reasons. Some companies have simply encountered scheduling problems that can be solved most effectively by using short-hour employees. In other cases, companies have hired part-time workers to undermine unionization. The Wisconsin Physicians' Service, following acrimonious contract negotiations with the United Food and Commercial Workers, rapidly hired 200 part-time and temporary workers and 150 home-based workers. The company excluded these employees from the labor contract, and paid all three groups reduced hourly wages and benefits (Nine to Five, 1986).

But for most companies in the non-manufacturing industries, where the bulk of part-time employment is located, the shift to part-time employment is neither a response to a technical imperative nor an outright anti-labor measure. Rather, companies have revamped employment strategies because, in their view, cutting labor costs and enhancing staffing flexibility are more important—at least in some areas of work—than maintaining the productivity and reliability of the labor force. Hiring part-timers is, of course, only one of a number of ways to bring down labor costs. Often companies that choose the part-time route do so because specific scheduling issues favor part-time workers over other low-wage workers.

The retail food industry offers a case in point. In retail as a whole, part-time employment climbed rapidly from 24 percent of the workforce in 1962 to 36 percent in 1987. Among grocery stores in particular,

the rate of part-time employment soared even higher, from 35 percent in 1962 to 60 percent in 1985. According to *Progressive Grocer*, the supermarket industry's main trade publication, grocers expanded part-time employment in search of cheaper labor:

> To cut labor costs by switching to lower-paid part-timers with fewer benefits, the industry's percentage of part-timers has continually grown. . . . (Sansolo, 1987).

The initial impetus for the use of part-time workers in retail food came from the extension of store hours. But then, as one retail union official recalled:

> The retail industry woke up one day. The light bulb went on. They got the profit and loss picture, and started to create more part-time [work] for that reason. This started in the early to mid '50s. Since then, it has grown and grown. In the late '40s, early '50s, the key was flexibility. Since then, the key is cost (Tilly, 1989).

Subsequent technological changes have permitted greater boosts in part-time employment in retail food. . . Innovations in food processing. . .have decreased skill requirements and further shrunk the full-time skilled labor force in supermarkets.

Subsequent technological changes have permitted greater boosts in part-time employment in retail food. Supermarket operators have moved toward stores that are larger both in floor size and sales volume. They now maintain a full-time core of department managers and one or two full-timers per department. This core does not grow proportionately with store employment; larger stores have higher rates of part-time employment. Innovations in food processing—such as the introduction of boxed beef—have decreased skill requirements and further shrunk the full-time skilled labor force in supermarkets.

The computerization of claims processing has facilitated the transition to a part-time workforce within the insurance industry.

Certain sections of the insurance industry, especially health insurers, have been even more aggressive in building a part time workforce—particularly among routine clerical work such as claims processing. At two health insurance companies studied by the author, part-time employment skyrocketed from less than 7 percent to over 24 percent of the workforce in one case, and from 1 percent to 16 percent in the other—over a period of about five years! Again, labor costs were a major factor. One manager commented, "Our whole drive is to go toward more part-time jobs. It's very cost-effective" (Tilly, 1989).

The computerization of claims processing has facilitated the transition to a part-time workforce within the insurance industry. Automation reduces the skill and training time required for claims processing jobs, while the productivity of workers using video display terminal falls off after four or five hours of work.

In short, secondary part-time employment's share of the total U.S. labor has expanded due to the growth, in relative terms, of industries that rely on a low-wage, low-skill workforce and the increasing dependence of employers in nearly every industry upon a low-wage, low-skill, and flexible workforce. The spread of part-time employment in the U.S. economy is part of a broader trend toward more low-paid jobs and slower productivity growth.

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Why Involuntary Full-Timers Cannot Get Part-Time Jobs

If employers are anxious to expand part-time employment to cut labor costs, why are there so many involuntary full-time workers—people who would prefer to work part-time, but are not able to obtain part-time hours? The answer lies in the two different labor markets that are involved. Employers are hunting for part-timers in the low-skill jobs that make up secondary labor markets. The involuntary full-timers are those in more skilled jobs, where retention part-time jobs are rationed only to the most deserving employees. Skilled professional, technical, and high-level clerical workers are not going to switch to punching cash registers or doing data entry just to secure part-time hours.

Involuntary full-timers are those in more skilled jobs, where retention part-time jobs are rationed only to the most deserving employees.

In many cases, it is too costly for employers of more highly-skilled workers to grant them part-time work schedules. Companies often feel obligated to continue offering skilled workers a full benefit package—including fringes such as health insurance that are not easily prorated. Thus, high-level part-timers can be more costly on a per-hour basis than full-time workers. When jobs involve lengthy in-house training, employers want to make use of the trained employee for a full 40 hour week. Part-timers with flexible hours may also be more difficult to manage, particularly when they handle vital information that is unavailable during the hours they are absent.

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But managers' resistance to allowing higher-level workers to work part-time also derives from prejudice and fear of the unknown. One insurance manager who has overseen both part-time and full-time workers noted:

> I think you have a tendency to look at a part timer and think of the negatives, and say, Jesus, I've only got him four hours, . . . there's a lot more people to deal with, . . . do I really want to get into those headaches? And I think that might cause some reluctance on the part of line managers. Until they get exposed to it, and learn how to manage those headaches (Tilly, 1989).

The manager went on to express his belief that the difficulties of managing part-timers are no greater than those of managing full-timers. This observation echoes a survey of managers that showed non-users of part-time workers imagined numerous disadvantages that users rarely reported (Nollen, Eddy, and Martin, 1978).

Are Employers Really Cutting Costs?

Cost factors have motivated employers to hire more secondary part-time workers, and to limit the number of retention part-time workers. The evidence suggests, however, that such staffing decisions not only have negative effects on workers and their families, but may ultimately be harmful to business.

Employers who hire *secondary* part-timers unquestionably gain lower hourly wage and benefit costs. However, they also find higher turnover, lower productivity, and less employee reliability. These disadvantages emerge not because all part-time workers are inherently bad workers, but because *secondary* part-time employment often attracts less productive and less committed workers (such as teenagers) and encourages more casual attitudes toward work.

At 17 different retail companies where the author conducted interviews, managers were unanimous in their view that part-time workers in low-level jobs had fewer skills, were less responsible, and left their jobs more quickly than their full-time counterparts.

The retail food industry—a heavy user of secondary part-time workers—offers dramatic documentation of these tradeoffs. The personnel director of one supermarket chain reported that hourly compensation costs for part-time workers amount to about 43 percent of full-time levels. However, the part-time turnover rate in the chain is ten times the full-time rate, prompting one chain store manager to comment, "In my produce department, one good full-timer can do as much work [per hour] as any three part-timers," because of greater experience and knowledge (Tilly, 1989). In fact, at 17 different retail companies where the author conducted interviews, managers were unanimous in their view that part-time workers in low-level jobs (secondary part-timers) had fewer skills, were less responsible, and left their jobs more quickly than their full-time counterparts (Tilly, 1989). The *Progressive Grocer* echoes these concerns:

> Some retailers are rethinking the pros and cons of part-timers vs. full-timers. The high turnover rate and costs of training replacement employees may outweigh the advantages of part-timers. These operators point out that full-timers tend to be more loyal and add stability to a store's staff (*Progressive Grocer*, 1986).

Overall, the rapid growth of secondary part-time employment in the retail sector has been accompanied by falling labor productivity.

Overall, the rapid growth of secondary part-time employment in the retail sector has been accompanied by falling labor productivity. Between 1967 and 1985, retail productivity fell by an average of 0.1 percent per year (Waldstein, 1989). In food stores, labor productivity plummeted by 12 percent between 1970 and 1982 (Haugen, 1986). Thus, when employers create secondary part-time jobs to cut labor costs, they may not be getting much of a bargain.

On the other hand, employers who bar or limit *retention* part-time employment in upper-level jobs may be *under*estimating the productivity gains of part-timers in retention part-time jobs. A personnel officer at an insurance company described the benefits of part-time professionals:

> You probably will not find more committed employees than your part-time population. . . . Part-time people will tell you they work much harder than full-time people. . . . They want to do it all. They're driven.

However, she quickly added that in her company, "Traditionally, people have worked full-time, and it's expected" (Tilly, 1989).

Employers who bar or limit retention part-time employment in upper-level jobs may be underestimating the productivity gains of part-timers in retention part-time jobs.

Policies for Part-Time Work

Increasing part-time employment gives rise to three key problems: the growth of a low-wage class of jobs, negative effects on productivity growth, and the unique issues raised by involuntary part-time and involuntary full-time work.

The rapidly-growing segment of part-time jobs is made up of low-paid *secondary* part-time jobs. Employer creation of these jobs has outrun the desire for them in the workforce, so that on the margin, involuntary part-time jobs are being created. The spread of poorly-compensated part-time jobs also undermines the wages and benefits of full-time workers. Of course, part-time employment *can* take the form of well-compensated, *retention* part-time jobs—but such jobs remain the exception.

Rather than leading to greater efficiency as some business spokespeople have claimed, the growth of part-time employment may have led to decreased efficiency.

The effect of increasing part-time employment on the distribution of family income is more complicated. Most secondary part-time jobs are held by secondary earners—persons who are not the sole support of a family. The growth of part-time work has coincided with the rise of dual earner families who are working harder to maintain their standard of living.

The problem with secondary part-time jobs is not just low compensation, but low productivity and slow (or even negative) productivity growth. Although conventional economic theory asserts that low productivity leads to low compensation, the causality can also run in the opposite direction: access to labor at low compensation makes productivity increases unnecessary for employers. Because many service employers have chosen secondary part-time employment (the low compensation, low productivity option) as a means to reduce costs, they may have failed to search for or utilize possibilities to increase productivity that would involve full-time work and higher compensation. In short, rather than leading to greater efficiency as some business spokespeople have claimed, the growth of part-time employment may have led to *decreased* efficiency.

Black workers, women, and teens—all disadvantaged groups in the labor force—are especially likely to be locked into involuntary part-time jobs.

Finally, involuntary part-time and full-time employment pose equity and efficiency problems in their own right. The equity issue is most clear with involuntary part-time workers, who have lost potential income. Black workers, women, and teens—all disadvantaged groups in the labor force—are especially likely to be locked in to involuntary part time jobs. Involuntary *full*-time work, while it does not imply heightened income inequality, does involve inequality of opportunity. Women with young children, people near retirement age, and others for whom working full-time entails significant personal sacrifice are forced to either make that sacrifice or leave their jobs. Involuntary part-time and full-time jobs also hamper economic efficiency. For example, the foregone output and employment represented by five million people underemployed and involuntarily working part-time is equivalent to an additional 2.5 million people unemployed.

Part-time employment is not inherently a negative feature of the labor market. Part-time employment can provide a valuable dimension of flexibility for employers and workers. However, in order to maintain this flexibility while minimizing its associated risks, it will be necessary to extend protections to these workers, and to widen the government's social safety net.

Public policymakers have made few efforts to address the problems posed by part-time work. An adequate program would address three areas: equal treatment for part-time workers; security and flexibility for part-timers; and the creation of better jobs. Such a program would help to shift part-time workers from second-class to first-class citizenship in the workforce. Policy strategies would be aimed at improving part-time work, not at eliminating it. However, to the extent that employers use part-time employment as a way to take advantage of the lesser protections and limited bargaining power of part-timers, such reforms probably *would* reduce utilization of part-time labor.

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Equal Treatment of Part-Time Workers

Equal treatment of part-timers requires federal and state initiatives as well as reformed employer practices. Equal treatment, enforced by public policy, is the standard in most of the industrialized world. The International Labour Office (ILO) surveyed legislation and collective bargaining agreements on work schedules, including part-time work, in Western and Eastern Europe, North America, Japan, Australia, and New Zealand. The ILO concluded that:

> A basic principle explicitly included in the legislation in most countries is that terms and conditions of employment should be no less favourable than those of full-time workers, account being taken as appropriate of the shorter hours of work. This principle covers a range of extremely important conditions: hourly wages, holiday entitlements, security of employment, the right to join trade unions and hold trade union office, etc. (International Labour Office, 1986:16).

In the U.S., many forms of social insurance tacitly or explicitly discriminate against part-time workers.

In the U.S., many forms of social insurance tacitly or explicitly discriminate against part-time workers. For example, in most states unemployment insurance requires a minimum earnings threshold that excludes many part-timers. In addition, most state unemployment insurance laws require that recipients be available for full-time work (Pearce, 1985). Social security caps the income amount subject to payroll taxes, so that part-time workers (and other workers with low total earnings) are taxed at a higher rate than full-time workers who exceed the cap. These thresholds, caps, and restrictions should be lifted.

In the workplace, equal treatment would start with equal access to benefits. Federal law should ensure that part-time workers receive a benefit package equivalent to that of full-timers, benefits that would be

prorated to reflect the differences in hours worked. Section 89 of the Tax Reform Act of 1986 required this, but that section was repealed in 1989 after a concerted employer campaign against it. Legislation recently introduced by Congresswoman Patricia Schroeder (D-CO) would modify the Employee Retirement and Income Security Act (ERISA), which currently requires that all employees working over 1,000 hours per year (about 20 hours per week) be included in a company's pension plan. ERISA reform should include lowering its minimum hours threshold and extending its scope to other key benefits, particularly health insurance. Proposals should include restrictions on subcontracting for the purpose of avoiding health and pension benefits.

Federal law should ensure that part-time workers receive a benefit package equivalent to that of full-timers, benefits that would be prorated to reflect the differences in hours worked.

Equal treatment for part-time workers also requires equal pay for equal work. Where lower hourly wages for part-timers reflect genuinely different job content, the pay differential may be legitimate. But part-time workers should not be paid less per hour simply because of an invidious distinction between full-timers and part-timers performing the same duties. Federal law should affirm and enforce the principle of equal pay for equal work in this area.

More broadly, equal treatment precludes discrimination against part-timers in all areas of work, particularly hiring and promotion. Job requirements may legitimately foreclose hiring or promoting someone who can only work part-time. In many cases, however, such a refusal is discriminatory. Furthermore, discrimination against part-timers may mark a veiled form of discrimination against women, youths, or elders—all of whom are particularly likely to prefer part-time schedules. Federal law should protect part-time workers against such employment discrimination.

Enhancing Security and Flexibility

In addition to equal treatment, the variability of part-time employment requires measures to assure part-time workers *security* in key benefits and *flexibility* combining work and family responsibilities. Here appropriate policies would address not just the growth of part-time work, but a whole host of labor market changes that have produced a significant group of vulnerable workers: the growth of other flexible work forms such as temporary employment and subcontracting, the expansion of self-employment and small business, and the increased frequency with which workers change jobs or move in and out of the labor force.

A primary measure to increase worker security is universal health insurance.

A primary measure to increase worker security is universal health insurance. The current system, which assumes that most families will receive health insurance through a steadily employed head, while Medicare and Medicaid take care of the rest, is clearly failing. Recent estimates put the number of uninsured at 37 million. A federally-backed program of universal health care coverage could help to fill the gaps and level the inequities in the current system, particularly important for the more than four in ten part-time workers, who do not receive health insurance from any employer (Levitan and Conway, 1988). A related

reform would be to increase the portability of pensions from one job to another. Part-time workers, who tend to stay in jobs for shorter periods than full-timers, would particularly benefit from such a change.

Important measures for worker flexibility would be for the public and private sectors to guarantee parental leave and provide affordable dependent care—including both child care and elder care. Parental leave and dependent care would allow primary care-givers, who are also wage earners, to choose more freely between part-time and full-time work, and to more readily combine work with family responsibilities.

As a first measure to encourage the creation of better jobs, Congress should boost the minimum wage substantially and index it to inflation.

Creating Better Jobs

Finally, policy initiatives are needed to direct the economy toward *creating better jobs*. These strategies would simultaneously help to stem the growth of secondary part-time jobs, while also addressing the proliferation of low-paid jobs in the broader economy (Loveman and Tilly, 1988). Other proposals would specifically target the creation of better part-time jobs.

As a first measure to encourage the creation of better jobs, Congress should boost the minimum wage *substantially* and index it to inflation. The minimum wage increase approved by Congress in 1989, after adjusting for inflation, leaves minimum wage recipients far below the wage level they were guaranteed in 1981 and also leaves them vulnerable to future inflation. An equitable increase in the minimum wage would press employers to create more productive and skilled jobs by rendering a low-wage, low-productivity strategy less possible. Part-time workers, who make up 65 percent of all minimum-wage workers, would especially benefit (Mellor and Haugen, 1986).

Congress should also reform the National Labor Relations Act to make it fairer to unions seeking to organize workers.

Congress should also reform the National Labor Relations Act to make it fairer to unions seeking to organize workers. Since the early 1980s, the National Labor Relations Board has upheld many employer actions whose obvious purpose was to obstruct unionization or to weaken unions. Historically, however, unions have been a major force working in eliminating secondary labor markets and improving job quality. Specifically, unions have attempted to extend full-time benefits and protections to part-timers, and limit the spread of secondary part-time jobs, especially where they threaten to replace more highly-compensated full-time jobs (Appelbaum and Gregory, 1988). Encouraging unionization holds out the prospect that workers themselves can flexibly negotiate changes in the terms of employment, rather than counting on rigid and often difficult-to-enforce government policies.

The comparison of part-time employment in the United States and Canada suggests that unionization can make a large difference in the status of part-time workers. As it has in the U.S., part-time employment in Canada has expanded in recent years. The demographic, industry, and occupation profiles of Canadian part-timers are quite similar to those in the U.S. For example, about 78 percent of Canadian part-timers

work in trade and services, compared to 80 percent in the United States. However, the part-time/full-time hourly wage differential is much smaller in Canada. Canadian full-timers earned only 21 percent more on average than part-timers in 1981—$8.64 vs. $6.84 an hour—compared to 39 percent more in the United States in the same year.[9] Among unionized jobs, the part-time/full-time wage differential is only two percent.[10]

The higher rate of unionization of part-time workers in Canada helps to explain the compressed wage differential. While U.S. part-timers are about one-third as likely as full-timers to be union members, Canadian part-timers are almost half as likely to belong to labor unions, as their full-time counterparts. Rates of unionization are in fact higher for both part-time *and* full-time employees in Canada. Eighteen percent of part-time workers and 40 percent of full-timers in Canada are union members, compared to 7 percent and 20 percent, respectively, in the United States.

Efforts to implement this program can move the U.S. closer to an economy characterized by high-compensation, high-productivity jobs—both part-time and full-time.

Policies directed specifically at the creation of retention part-time jobs are also needed. Congress and state legislatures should explore ways to encourage employers to create part-time jobs at technical, professional, and managerial levels. One model is the Federal Part-Time Career Act of 1978, which called for the establishment of permanent part-time positions in federal jobs, with goals and timetables. In the two years after the Act took effect, federal permanent part-time jobs increased by 30 percent—some 14,000 jobs. Since 1980, however, budget cutbacks and management resistance have reduced the total by 6,000. The federal Act built on the examples of state legislation in Massachusetts, Maryland, Wisconsin, and California; as of 1982, 25 states had laws facilitating part-time employment for upper-level workers.[11] In a few cases, unions representing public employees, including Service Employees International Union locals in California and Washington, have negotiated quotas for career part-time positions (Sirianni, 1985).

Taken together, these policy recommendations could substantially reshape the way that companies use part-time employment. Efforts to implement this program can move the U.S. closer to an economy characterized by high-compensation, high-productivity jobs—both part-time and full-time. They hold the promise that employment flexibility will benefit everyone, transforming the "part-time problem" into the part-time choice.

Appendix

TABLE A-1

Percent Distribution of Part-time Workers by Sex, Marital Status, Age, and Race

Workforce group	Percent of part-time workers falling in a given group		
	Involuntary	Voluntary	Total PT
By Sex and Marital Status			
Men	46.0%	29.9%	34.4%
Currently married men	19.2	9.1	11.7
Single (never-married or no longer married) men	26.9	20.7	22.3
Women	54.0	70.1	66.0
Currently married women	25.5	41.1	37.1
Single (never-married or no longer married) women	28.5	29.1	28.9
Total	100.0%	100.0%	100.0%
By Age			
Age 16–19	13.4%	23.4%	20.9%
Age 20–64	84.2	67.9	72.0
Age 65 and up	2.4	8.7	7.1
Total	100.0%	100.0%	100.0%
By Race and Sex			
Black	15.8%	7.3%	9.5%
Black men	7.1	2.5	3.7
Black women	8.7	4.8	5.8
White	81.1	89.8	87.5
White men	37.6	26.2	29.1
White women	43.5	63.5	58.4
Other	3.1	2.9	3.0
Other men	1.3	1.2	1.6
Other women	1.8	1.7	1.4
Total	100.0%	100.0%	100.0%

Note: Nonagricultural workers only. Percentages may not total to 100 percent because of rounding.

Source: U.S. Bureau of Labor Statistics, *Employment and Earnings*, January 1989.

Endnotes

[1] In this discussion, the U.S. Bureau of Labor Statistics definition of part-time employment is used. Part-time workers include everybody working less than 35 hours per week. Part-time workers are considered involuntary if they report that they are working part-time because of slack work, plant down-time, starting or ending a job during the week they are surveyed, or inability to find a full-time job. Various objections to this definition could be raised: for example, women who work part-time because they are unable to find adequate child care are considered "voluntary" part-timers. However, all available statistics use this definition.

[2] See endnote 1.

[3] The distinction between secondary and retention part-time jobs is discussed at much greater length in Chris Tilly, 1989.

[4] The figure of 42 percent results from a univariate analysis. The effects of other variables correlated with part-time status may be included in this estimate.

[5] Unpublished finding communicated by James Rebitzer.

[6] Ichniowski and Preston, 1985. These estimates control for education, job tenure, work experience, firm size, occupation, union status, and demographic characteristics (race, sex, marital status). Estimates vary depending on the data source. See also, Ehrenberg, Rosenberg, and Li, 1986; Blank, 1987.

[7] These differences were estimated controlling for individual variation in age, race, gender, job tenure, union status, establishment size, occupation, and the proportion of women and union members among full-timers in a given industry.

[8] If rates of part-time employment within each industry had remained at 1969 levels but each industry had followed its actual employment growth pattern since that time, the number of part-time workers would have risen from 15.5 percent of the labor force to 17.2 percent—most of way towards of the actual 1988 level of 17.8 percent. Note that 17.8 percent is the 1988 rate of part-time employment for nonagricultural *wage and salary* workers at work, as opposed to the rate of part-time employment for all nonagricultural workers at work, 18.4 percent, which is cited elsewhere in this report. This difference appears because of the way that the BLS reports data.

Changes in industry composition play an even more important role in explaining the growth of part-time work in the most recent

period. If the shift-share is repeated for 1979 and 1988, changes in industry share account for all of the growth of part-time employment.

[9] The two figures are not strictly comparable, because the Canadian figure is based on weighted mean wages while the U.S. figure is based on median wages. This discrepancy means that the difference between the two countries is probably *understated*.

[10] Canadian figures from Commission of Inquiry into Part-Time Work (1983).

[11] For information on the federal Part-Time Career Act, see Kahne (1985) and Bureau of National Affairs (1986). Kornbluh (1988) discusses state legislation as well as the federal Act.

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